

**Jefferson Davis Parish  
Tourist Commission**

Jennings, Louisiana

**AUDIT REPORT**

Year Ended June 30, 2013

Jefferson Davis Parish Tourist Commission  
June 30, 2013

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## INDEPENDENT AUDITORS' REPORT

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

### Report on the Financial Statement

We have audited the accompanying financial statements of the governmental activities and each major fund of the Jefferson Davis Parish Tourist Commission (the Commission), a component unit of the Jefferson Davis Parish Policy Jury, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Jefferson Davis Parish Tourist Commission as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America required that the budgetary comparison information on pages 23 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Reporting Required by Government Auditing Standards**

As described in Note 1 to the financial statements, the Jefferson Davis Parish Tourist Commission adopted the provisions of GASB statement No 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in 2013.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2013, on our consideration of the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purposes of that report is to describe the scope of our testing of internal control over financial reporting and compliances and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and compliance.

*Edward L. Krielow*  
Certified Public Accountant

Jennings, Louisiana  
December 31, 2013

WE STATE ON THIS PAGE WHETHER AN AUDIT HAS BEEN MADE OF A SUFFICIENT SCOPE TO ENABLE US TO EXPRESS AN OPINION ON THE ACCOMPANYING FINANCIAL STATEMENTS, OR IF PREPARED WITHOUT AUDIT FROM INFORMATION FURNISHED. THE PUBLICATION OF OUR NAME IN CONNECTION WITH ANY EXCERPT FROM THIS REPORT MAY BE MADE ONLY WITH OUR CONSENT AND IN A FORM APPROVED BY US.

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

**STATEMENT OF NET POSITION**

As of June 30, 2013

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 472,721
Investments - certificates of deposit	69,150
Tax revenue receivable	68,360
Interest receivable	129
Prepaid expenses	2,062
Total current assets	<u>612,421</u>
Noncurrent assets:	
Capital assets, net of depreciation	<u>32,823</u>
Total noncurrent assets	<u>32,823</u>
Total assets	<u>645,244</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	6,288
Accrued liabilities	9,534
Total current liabilities	<u>15,822</u>
Noncurrent liabilities:	
Accrued compensated absences	<u>4,242</u>
Total noncurrent liabilities	<u>4,242</u>
Total liabilities	<u>20,064</u>
<b>NET POSITION:</b>	
Net Investment in capital assets	32,823
Unrestricted net position	592,357
Total net position	<u>\$ 625,180</u>

EXHIBIT A

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
<b>GOVERNMENTAL ACTIVITIES</b>			
Promotion of Tourism	\$ 318,558	\$ 0	\$ (318,558)
Total Governmental Activities	<u>\$ 318,558</u>	<u>\$ 0</u>	<u>\$ (318,558)</u>
<b>GENERAL REVENUES</b>			
Sales Taxes			
Local Collections			135,015
State Appropriations			133,696
Miscellaneous revenue			21,305
Intergovernmental revenue			40,902
Interest Income			911
Total General Revenues			<u>331,828</u>
<b>CHANGE IN NET POSITION</b>			13,270
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>611,909</u>
<b>NET POSITION, END OF YEAR</b>			<u><u>\$ 625,180</u></u>

EXHIBIT B

The accompanying notes are an integral part of the statement

## FUND FINANCIAL STATEMENTS (FFS)

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

**BALANCE SHEET**  
Governmental Funds  
As of June 30, 2013

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 472,721
Investments - certificates of deposit	69,150
Tax Revenue Receivable	68,360
Interest Income Receivable	<u>129</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 610,360</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 6,288
Accrued liabilities	<u>9,572</u>
Total Liabilities	<u>15,860</u>
<b>FUND BALANCES</b>	
Fund Balance:	
Unassigned	<u>594,500</u>
Total fund balance	<u>594,500</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 610,360</u></u>

EXHIBIT C

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

**Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position**  
June 30, 2013

Total fund balance for governmental fund at June 30, 2013	\$ 594,500
Total net position reported for governmental activities in the statement of net position is different because:	
Other assets used in governmental activities that are not financial resources, and therefore, are not reported in the governmental funds.	
Prepaid Expenses	2,062
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Capital assets	38,666
Less: accumulated depreciation	(5,843)
General long-term debt of governmental activities are not payable from current resources and, therefore not reported in the funds. The debt is:	
Compensated absences payable	(4,242)
Liability for earned but deferred revenue:	
Deferred interest revenue	38
Total net position of governmental activities as of June 30, 2013	<u>\$ 625,180</u>

EXHIBIT D

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**

Governmental Funds

For the Year Ended June 30, 2013

	General Fund
<b>REVENUES</b>	
Sales Taxes	
Local Collections	\$ 135,015
State Appropriation	133,696
Miscellaneous revenue	21,305
Intergovernmental revenue	40,902
Interest Income	929
Total Revenues	<u>\$ 331,846</u>
<b>EXPENDITURES</b>	
Personnel	
Salaries - Director	\$ 51,171
Salaries - Other	76,406
Payroll Taxes	3,259
Retirement Expense	17,228
Employee Health	15,016
Advertising	57,231
Promotional	15,088
Operational	
Tour Expense	10,677
Merchandise Expense	11,778
Marketing Development Grants	6,698
Dues & Subscriptions	2,611
Insurance	5,347
Travel Expense	9,979
Other operating expenses	
Accounting Services	7,650
Legal & Professional	6,297
Equipment Rentals	699
Equipment Maintenance	1,660
Capital Outlay	2,217
Telephone	3,745
Utilities & Internet	4,233
Office Expense	8,077
Postage	804
Total Expenditures	<u>\$ 317,872</u>
NET CHANGE IN FUND BALANCE	\$ 13,975
UNASSIGNED FUND BALANCE - Beginning of Year	<u>580,525</u>
UNASSIGNED FUND BALANCE - End of Year	<u><u>\$ 594,500</u></u>

**EXHIBIT E**

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities**  
For the Fiscal Year Ended June 30, 2013

Total net change in fund balance at June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 13,975
The change in net position reported for governmental activities in the statement of activities is different because:	
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in governmental funds.	
Prepaid Expenses	50
Accrued Interest Receivable	(18)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Increase in accumulated depreciation	(2,578)
General long-term debt of governmental activities are not payable from current resources and, therefore not reported in the funds. The debt is:	
Compensated absences payable	1,841
Total changes in net position at June 30, 2013 per Statement of Activities	<u>\$ 13,270</u>

EXHIBIT F

The accompanying notes are an integral part of the statement

## **Notes to Financial Statements**

## Notes to Financial Statements

### 1. Organization and Significant Accounting Policies

The mission of the Jefferson Davis Parish Tourist Commission (*the Commission*) is to promote and encourage recreational activities, the acquisition, preservation and development of historic and recreational sites, recreational facilities and tourist attractions. It operates a tourist information center within the Parish and employs an executive director and two full time and two part-time employees, all who coordinate advertisements and promotion of tourism for the Parish. The more significant of the Commission's accounting policies are described below.

#### Reporting Entity

The Commission was created by the Jefferson Davis Parish Police Jury pursuant to (LSA-RS 33:4574) through the passage of Parish Ordinance 579 on May 9, 1973. The District purposes shall be the promotion and encouragement of recreational activities, the acquisition, preservation and development of historic and recreational sites, recreational facilities and tourist attractions, and to engage in activities which would promote such development. The Commission has authority, within its boundaries, to exercise all powers necessary or convenient for the carrying out of such purposes.

Under the provision of Parish Ordinance 579, dated May 9, 1973, the District shall be governed and controlled by a board of commissioners composed of five members. Pursuant to Ordinance 579 these commissioners, appointed by the Jefferson Davis Parish Police Jury, assume their duties for an unstated term and shall serve without compensation.

As the governmental authority of the parish, for reporting purposes, the Jefferson Davis Parish Policy Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 61 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations of which the nature and significance of their relationship with the primary government is such that exclusion of these organizations from the primary government's financial statements would be misleading. Therefore, an organization is considered to be a component unit of the police jury if one of the following criteria is met:

- (1) Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and there is the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

Reporting Entity (continued)

- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The police jury appoints a voting majority of the board and has the ability to impose its will on the organization; therefore the Commission was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Joint Venture

Jefferson Davis Parish Economic Development Commission – A jointly owned commission with the City of Jennings and the Town of Welsh was formed to enhance the economic development of Jefferson Davis Parish. This commission has not been included in the reporting entity. Financial Statements for this joint venture can be obtained from the Jefferson Davis Parish Economic Development Commission.

New Accounting Pronouncement

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components; assets, deferred outflows of resources liabilities and deferred inflows of resources. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 63 does not have any impact on the Commissions' financial statements, other than to change the name of the Statement of Net Assets.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 although the Commission elected to early implement in fiscal year ending December 31, 2012. The adoption of GASB 65 does not have any impact on the Commission's financials statements.

## **Notes to Financial Statements**

### **Basis of Presentation**

#### *Government-Wide Financial Statements (GWFS)*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions.

The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activities of the entity and for each function of the entity's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### *Fund Financial Statements (FFS)*

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of a governmental entity are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund or meets the following criteria:

**Notes to Financial Statements**

*Fund Financial Statements (FFS) (continued)*

- a. Total assets, liabilities, revenues, or expenditures/expense of that individual governmental or enterprises fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are a least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the *Commission* are described below:

**Governmental Funds:**

General Fund – The General Fund is the general accounting fund of the Jefferson Davis Parish Tourist Commission. It accounts for all financial resources, except for those required to be accounted for in other funds.

**Measurement Focus / Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

*Measurement Focus*

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

*Basis of Accounting*

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expense, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligations bond principal and interest which are reported when due. The proprietary fund utilizes the accrual basis of accounting.

Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used.

When both restricted and unrestricted resources are available for use, it is the Commissions policy to use restricted resources first, then unrestricted resources as they are needed.

Revenues –Sales tax revenues are collected by the Jefferson Davis Parish School Board and are remitted to the Commission monthly. Taxes are remitted in the month following collection and are considered measurable at the month of collection. Accordingly, sales taxes collected in June 2013 and remitted in July 2013 have been reported as a receivable.

Each fiscal year, the Louisiana Legislature has the authority to appropriate funds from state sales tax collections to be distributed to tourist and convention commissions throughout the state to be used for tourism development, including support for historic preservation and arts and humanities. The amount appropriated by the state is limited to state sales taxes on hotels and motels within Jefferson Davis Parish. The amounts appropriated by the state have been recorded in these financial statements. Payments are remitted quarterly.

Budgetary Practices

The Commission has adopted a budget for its general fund. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Commission. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted amounts, which are not expended or obligated through contracts, lapse at year end. The Commission's budget is materially consistent with accounting principles generally accepted in the United States of America.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposit, money market accounts, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Capital Assets

In the fund financial statements (FFS), fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the government-wide financial statements (GWFS), fixed assets are accounted for as capital assets. The Jefferson Davis Parish Tourist Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital Assets (continued)

Capital assets, which include building, improvements, furniture and fixtures, and other assets, are to be reported in the governmental columns in the government-wide financial statements. All capital assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

Vehicles	5 years
Improvements	5-20 years
Furniture and equipment	5-10 years
Other	5-20 years

Compensated Absences

Employees accrue earned vacation on a monthly basis according to years of service. Employees are permitted to carry forward a maximum of one-third (1/3) of their annual earned vacation with a maximum of 20 days. Employees accrue sick leave at the rate of twelve days per year. Sick leave is cumulative up to a maximum of 130 days. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. At June 30, 2013, the Commission had accrued vacation leave of \$4,242

## Notes to Financial Statements

### Pension Plan

All full time eligible employees are members of the statewide retirement system: Parochial Employees' Retirement System of Louisiana (PERS). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan is as follows:

**Plan Description.** Substantially all full time employees are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System.

Effective July 1, 1997, new employees age 55 and older and who have 40 quarters or more of social security participation have an option to join the parochial system. New employees meeting the age and social security criteria have up to 90 days from the date of hire to elect to participate. Under Plan A, employees who were hired prior to January 1, 2007, may retire at or after age 65 with at least 7 years of credited service, at age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service and employees who were hired after January 1, 2007, may retire at age 67 with at least 7 years of credited service, at age 62 with at least 10 years of credited service, or at age 55 with at least 30 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average compensation for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average compensation plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980 plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average compensation is defined as the average of the highest consecutive 36 months' salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months' salary. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

Pension Plan (continued)

**Funding Policy.** Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Jefferson Davis Parish Tourist Commission is required to contribute at a statutory rate based on actuarially determined computations. The current rate is 15.75% of covered payroll. Contributions to the System also include one fourth of one percent of the taxes shown to be collectible (except for Orleans and East Baton Rouge parishes) by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jefferson Davis Parish Tourist Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The Jefferson Davis Parish Tourist Commission contribution to the System under Plan A for the year ending June 30, 2013, 2012, and 2011 was \$17,228, \$15,187, and \$15,040 respectively, equal to the required contribution for each year.

Equity Classifications

*Government-Wide Statements* – Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consist of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. Restricted net position – consist of net resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net resources that do not meet the definition of “restricted” or “net investment in capital assets, net of related debt”.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Commission applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Commission at the incurrence of the expense.

*Governmental Fund Statements* – Equity is classified as fund balance. Fund balance is further classified as follows: Proprietary fund equity is classified the same as in the government-wide statements

*Nonspendable fund balance* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted fund balance* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

*Governmental Fund Statements (continued)*

*Committed fund balance* – amounts that can be used for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making authority for the Jefferson Davis Parish Tourist Commission. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

*Assigned fund balance* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission's policy, only board members may assign amounts for specific purposes.

*Unassigned fund balance* – all other spendable amounts.

As of June 30, 2013 the General Fund has an unassigned fund balance of \$594,500. The Commission would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Jefferson Davis Parish Tourist Commission, which are either unusual in nature or infrequent in occurrence. During the year ended June 30, 2013, the Commission had no extraordinary or special items.

Date of Management's Review

Subsequent events were evaluated through December 31, 2013, which is the date of the financial statements were available to be issued.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

**2. Deposits and Investments**

**A. Deposits:**

As of June 30, 2013, the year end balances of deposits are as follows:

<u>Deposit Type</u>	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash on hand	\$ 41,598	\$ 20,421
Cash-demand deposits	335,886	335,886
Time deposits (maturities less than 90 days)	<u>116,414</u>	<u>116,414</u>
Total	<u>\$ 493,898</u>	<u>\$ 472,721</u>

Under state laws, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined by LRS 39:1221 valued at market. As of June 30, 2013, the Commission had deposits (collected bank balances) totaling \$ 493,898. Of these bank deposit balances, \$ 271,450 were exposed to custodial credit risk as follows:

Bank balances	<u>\$ 493,898</u>
Insured	\$ 222,448
Uninsured and collateral held by pledging bank Not in the Commission's name	<u>271,450</u>
Total	<u>\$ 493,898</u>

**B. Investments**

At June 30, 2013 the Commission had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
			<u>Less than 1</u>	<u>1 – 5</u>
Certificates of deposits – (maturities exceeding 90 days)	100%	<u>\$ 69,150</u>	<u>\$ 69,150</u>	<u>\$ -</u>

*Credit Risk* – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission does not have a written investment policy, but does adhere to state laws regarding allowable investments. The certificates of deposit are not rated.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The public entity's investment is not with any pool or outside party and therefore, no disclosure is required. Accordingly, the Commission had no custodial credit risk related to its investments of June 30, 2013.

*Concentration of Credit Risk* – The Commission places no limit on the amount it may invest in any one issuer. All investments are invested in Certificates of Deposit with First Guaranty Bank.

**3. Tax Revenue Receivable**

The following is a summary of receivables at year end:

	<u>Governmental Activities</u>
Jefferson Davis Parish School Board – Local Sales Tax	\$ 12,360
Louisiana Department of Treasury – State Appropriations	<u>56,000</u>
Gross Receivables	<u>\$ 68,360</u>

**4. Capital Assets: Capital assets activity for the year ended June 30, 2013 was as follows:**

	Beginning Balance 07/01/12	Additions	Deletions	Ending Balance 06/30/13
Improvements	\$ 38,666	\$ -	\$ -	\$ 38,666
Less: Accumulated Depreciation	<u>3,265</u>	<u>2,578</u>	<u>-</u>	<u>5,843</u>
Capital assets, net	<u>\$ 35,401</u>	<u>\$ 2,578</u>	<u>\$ -</u>	<u>\$ 32,823</u>

Depreciation expense of \$2,578 was charged to governmental activities: Promotion of Tourism

**5. Risk Management**

The Commission is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Commission has elected to continue coverage through the City of Jennings commercial insurance policy. The City of Jennings is insured up to policy limits for each of the above risks. There were no significant changes in the coverage's, retentions, or limits during the year ended June 30, 2013. There were no settled claims exceeding the commercial coverage's in any previous three fiscal years.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

**6. Litigation and Claims**

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Commission is not presently involved in any litigation as defendant.

**7. Contract Commitments**

The Jefferson Davis Parish Tourist Commission participates in several tourism promotional magazines and annuals requiring contractual agreements. The minimum future payments under these contracts are as follows:

Year ended June 30, 2014	\$ 4,460
Year ended June 30, 2015	1,982
Year ended June 30, 2016	0
Year ended June 30, 2017	0
Year ended June 30, 2018	0
Total	<u>\$ 6,442</u>

**8. Related Party Transactions**

Pursuant to the \$75,000 contribution agreement between the Jefferson Davis Parish Economic Development Commission and the Jefferson Davis Parish Tourist Commission, the Board of Directors established a Cooperative Endeavor Agreement. It was agreed the Jefferson Davis Parish Tourist Commission would provide in lieu of their annual \$75,000 contribution, all management and jointly provide equipment and services to the Jefferson Davis Economic Development Commission. In turn, the Jefferson Davis Parish Economic Commission would pay the Jefferson Davis Tourist Commission a management fee. For the year ended June 30, 2013 the Commission has received \$32,050.

**9. Economic Development Commission Joint Venture**

The Jefferson Davis Parish Tourist Commission in conjunction with the City of Jennings and the Town of Welsh has entered into an agreement to create the Jefferson Davis Parish Economic Development Commission (EDC). The EDC was chartered on January 30, 2007. The purpose is to act as an agency to enhance economic development and sustainable growth in Jefferson Davis Parish. According to the charter, each member is responsible for contributing an amount equal to the percentage of ownership that the member holds in the commission. The annual proportion of participation shall be as follows.

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Financial Statements**

Economic Development Commission Joint Venture (continued)

<u>Member</u>	<u>Percentage</u>	<u>Not to Exceed</u>
City of Jennings	39.50%	\$ 75,000
Jefferson Davis Parish Tourist Commission	39.50%	75,000
Town of Welsh	21.00%	40,000

The EDC consists of seven commissioners as follows: three residents of the City of Jennings, three representatives appointed by the Jefferson Davis Parish Tourist Commission, and one resident of the Town of Welsh.

The EDC members are to be appointed by the governing body of their place of residence. The EDC has the power and authority to employ a director to oversee and manage the operation of the commission office, hire other staff as needed, adopt its own budget, and enter into contracts for professional services necessary for the operations of the EDC.

The EDC is a Governmental Fund and the Jefferson Davis Parish Tourist Commission has not included its 39.5% share of net position in these financial statements.

Condensed financial information for the Jefferson Davis Economic Development Commission as of December 31, 2012 (the latest available audited financial statements) is as follows:

	<u>Total</u>	<u>Commission</u>
Total assets and deferred outflow of resources	\$ 87,221	\$ 34,452
Total liabilities	10,169	4,017
Net Position	<u>\$ 77,052</u>	<u>\$ 30,435</u>
Total program revenues	\$ 100,000	\$ 39,500
General revenues	8,007	3,163
Total expenses	\$ 95,075	\$ 37,555
Change in net position	12,932	5,108

As of December 31, 2012, the EDC had no long-term debt outstanding.

**10. Board of Directors Compensation**

The Board of Directors is a voluntary board; therefore no compensation has been paid to any member.

### **Required Supplemental Information**

Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

**BUDGETARY COMPARISON SCHEDULE**

General Fund

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amount	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable/ (Unfavorable)
<b>REVENUES</b>				
Sales Taxes				
Local Collections	\$ 148,000	\$ 148,000	\$ 135,015	\$ (12,985)
State Appropriation	115,000	115,000	133,696	18,696
Miscellaneous revenue	16,000	16,000	21,305	5,305
Intergovernmental revenue	28,000	35,050	40,901	5,851
Interest Income	500	500	929	429
Total Revenues	<u>\$ 307,500</u>	<u>\$ 314,550</u>	<u>\$ 331,846</u>	<u>\$ 17,296</u>
<b>EXPENDITURES</b>				
Personnel				
Salaries - Director	\$ 45,900	\$ 53,200	\$ 51,171	\$ (2,029)
Salaries - Other	70,385	70,385	76,406	6,021
Payroll Taxes	4,300	4,300	3,259	(1,041)
Retirement Expense	17,000	17,000	17,228	228
Advertising	40,000	40,000	57,231	17,231
Promotional	57,000	57,000	21,786	(35,214)
Operational				
Tour & Merchandise Expense	12,000	12,000	22,455	10,455
Dues & Subscriptions	3,500	3,500	2,611	(889)
Insurance	22,300	22,300	20,363	(1,937)
Travel Expense	10,000	10,000	9,979	(21)
Other	0	0	0	0
Other operating expenses				
Accounting	7,000	7,000	7,650	650
Legal & Professional	8,000	8,000	6,297	(1,703)
Equipment Rentals	4,000	4,000	699	(3,301)
Equipment Maintenance	1,250	1,250	1,660	410
Telephone	5,100	5,100	3,745	(1,355)
Utilities	6,000	6,000	4,233	(1,767)
Office Expense	9,500	9,500	8,077	(1,423)
Postage	750	750	804	54
Capital Outlay	5,000	5,000	2,217	(2,783)
Total Expenditures	<u>\$ 328,985</u>	<u>\$ 336,285</u>	<u>\$ 317,871</u>	<u>\$ (18,414)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (21,485)</u>	<u>\$ (21,735)</u>	<u>\$ 13,975</u>	<u>\$ 35,710</u>
NET POSITION - BEGINNING OF YEAR			<u>580,525</u>	
NET POSITION - END OF YEAR			<u>\$ 594,500</u>	

SCHEDULE 1

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Notes to Budgetary Comparison Schedules**

**1. Basis of Accounting**

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission. Legally, the Commission must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Commission to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and /or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

**2. Explanation of Significant Difference Between Original and Final Budget**

Sales tax revenue from state appropriations in the original budget was significantly lower than actual amounts received. Sales tax revenue received from state appropriations are earned as of the last quarter of the fiscal year and remitted to the Commission shortly thereafter. Although the funding was received within 60 days and considered revenue, at the time of budgeting the Commission had not received the funds and therefore approved the final budget without the last quarter state appropriations. Promotional expenses are significantly less than budgeted. These expenses are partly due to the funding of joint service agreements. At the time of the budgeting it was undetermined what the final request for funding would be and therefore the Commission budgeted full funding of the request.

*Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
With Governmental Auditing Standards*

## EDWARD L. KRIELOW

(A PROFESSIONAL ACCOUNTING CORPORATION)

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Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
With *Governmental Auditing Standards*

Board of Commissioners  
Jefferson Davis Parish Tourist Commission  
Jennings, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and each major fund as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Tourist Commission (the Commission) basic financial statements and have issued our report thereon dated December 31, 2013.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Tourist Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Edward L. Krielow*

Certified Public Accountant

Jennings, Louisiana  
December 31, 2013

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Management's Status of Prior Year Audit findings**

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	Name(s) of Contact Person(s)	Anticipated <u>Completion</u> <u>Date</u>
No Prior Year Findings				

Jefferson Davis Parish Tourist Commission  
June 30, 2013

**Management's Status of Current Year Audit findings**

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
No Current Findings				